REMARKS

A. EXPLANATION OF INVENTION

The present invention is a system for payment of professional services to professional service providers. The basic system was developed to be an alternative to medical insurance as medical insurance payments have been decreasing over the years, thus forcing many doctors to stop taking insurance, to decrease the quantity and/or quality of care provided to patients, or to stop providing medical services altogether. The system of the present invention has the steps of: the payment of a pre-determined amount by the patient each time period to a central clearinghouse; the ability to use any doctor that is a subscriber; the payment of a reduced fee by the patient to the doctor each time the patient visits the doctor; and the payment by the clearinghouse to the doctor of a set fee for the service provided to the patient such that the doctor receives a fee for service at a rate decided by the doctor rather than a reduced rate set by or bargained for by a conventional insurance company.

The system allows for the payment of professional services that is not an insurance product yet allows the consumer to have set payments per time period and set payments to professional service providers. Typical insurance involves the payment of a premium by an insured to an insurance company. When the insured has to go to the doctor for a medical issue and has to pay the doctor's bill, the insurance company reimburses the insured, or the insurance company directly pays the doctor. For this ease of payment, and for the peace of mind knowing that he or she will receive payment, the doctor agrees to the insurance companies terms of payment - namely reduced fees. The present system eliminates this reduction in fees by limiting the number of visits the patient may make to a selected doctor for a set yearly fee.

The present invention provides a system for the payment of medical services outside of the current insurance system to cover the ordinary and/or basic professional services at a cost-effective rate and in an efficient manner. Both the patient and the doctor subscribe to the services without the typical selection process employed by insurance companies. For example, any doctor and any patient may join as long as the patient agrees to pay the set fees to the clearinghouse and to the doctor and the doctor agrees to receive partial payment from the patient and partial payment from the clearinghouse.

The patient pays a certain monthly set fee to a clearinghouse, which set fee allows the patient to obtain a set amount of services per month or year- generally a set number of visits to a primary care doctor. If the patient obtains services from a subscribing doctor, the clearinghouse pays the doctor a set amount for the services- typically the amount generally charged by the doctor. The clearinghouse (and thus the system) has no obligation to reimburse the patient, and therefore is not an insurance plan. Further, as the doctor has subscribed directly with the clearinghouse to receive payments for medical services rendered, the doctor is not in a subrogation position relative to the patient, but is in a direct payment for service position relative to the clearinghouse, and therefore is not in an insurance relationship with the patient or the clearinghouse.

Further, the present system does not set the doctor's fees, as in a typical insurance plan, but allows the doctors to determine their own rates and levels of service provided based on historical data, thus allowing the doctors to provide the proper level of service at the proper price without the need for insurance. This allows the doctor to charge for his or her services at costs more indicative of what the services should cost without the need for insurance to cover such basic medical services - the doctor can establish appropriate fees for each service and to provide the appropriate level of service without having an insurance company decide what level of service should be provided to the patient.

Applicant's system is not an insurance product or an insurance system. This cannot be stressed enough. In fact, several states including Georgia, Alabama and South Carolina already have found Applicant's system ***not*** to be an insurance product. Copies of the decisions of the Assistant Attorney General of the State of Georgia, the Commissioner of Insurance of the State of Alabama, and the Senior Associate General Counsel of the State of South Carolina are attached as Exhibits A, B, and C, respectively. These decisions were made on the invention as claimed, which was presented to each of the deciding bodies.

B. EXPLANATION OF AMENDMENTS TO CLAIMS

Applicant has amended the claims to clarify that the invention is a method and not necessarily a system. Additionally, the independent claims have been amended to clarify that the method is a non-insurance method without subrogation and that the service providers set the fees for the services provided to the service receivers.

Further, an implementation step has been added to the independent claims to clarify that a useful, concrete and tangible result is obtained - namely that the service receivers receive the predetermined quantity of services from the service providers during the set periodical basis for a set total fee, the service providers provide the predetermined quantity of services to the service receivers during the set periodical basis for the fee set by the service providers, and the clearinghouse collects the plan fees from the service receivers on the set periodical basis and distributes the fee set by the service providers to the service providers upon provision of the services to the service receivers less the service charge. No new matter has been added.

New Claim 22 merely adds that the medical services are doctor visits, which is supported in the Specification. No new matter has been added.

New Claim 23 is a catch-all picture claim based on the claims as originally filed. No new matter has been added.

C. 35 USC 101 ISSUE

Applicant is still confused as to the appropriateness of the 35 USC 101 rejection. A method or process remains statutory even if some or all ofthe steps therein can be carried out in the human mind, with the aid of the human mind, or because it may be necessary for one performing the method or process to think. *In re Musgrave*, 431 F2d 882, 893, 167 USPQ 280, 289 (CCPA 1970). The fundamental test for patent eligibility is to determine whether the claimed invention produces a useful, concrete and tangible result. The present claims have concrete results, as expressed in the implementation step, of:

1. service receivers receiving the predetermined quantity of services from the service providers during the set periodical basis for a set total fee;

2. service providers providing the predetermined quantity of services to the service receivers during the set periodical basis for the fee set by the service providers; and

3. the clearinghouse collecting the plan fees from the service receivers on the set periodical basis and distributing the fee set by the service providers to the service providers upon provision of the services to the service receivers less the service charge.

In other words, the service receivers are assured of receiving a known quantity of services from the service providers during a set time and for a set total

fee, the service providers known the maximum quantity of services they will need to provide to the service receivers during the set period of time, the service providers know how much they will receive for the services provided to the service providers, and the clearinghouse knows how much it will collect from the service receivers and how much it will pay out to the service providers.

Applicant submits that the inclusion of the implementation step now should satisfy the examiner with regard to the functionality of the claims.

The examiner mentioned that the subject matter of the claims "is not within the statutory arts." If the amendments to the claims do not satisfy the examiner because the examiner believes the claims should recite some sort of electronic device (a computer), then this would violate the *In re Musgrave* holding. Alternatively, maybe the invention has been assigned to the incorrect art unit. As the assigning of patent applications to specific art units is a purely administrative function, there is nothing Applicant can do about this except to request the USPTO to re-evaluate the assignment of the art unit.

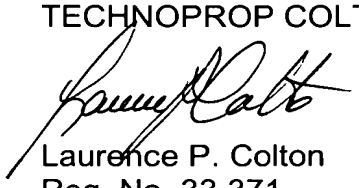
D. 35 USC 102 REJECTIONS

Applicant submits that the claims as amended are not anticipated by the cited references and incorporates herein the arguments made in the Response dated 11 August 2003.

CONCLUSION

Applicant submits that the Claims are in condition for allowance and requests such actions. If the examiner has any questions or concerns that can be answered over the telephone, please contact the below-signed attorney of record.

Respectfully submitted,
TECHNOPROP COLTON LLC



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